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Discontinuation of Virginia Medicaid Interim Reimbursement for Medicare Part D Drugs for Dual Eligibles - March 8, 2006

The purpose of this memorandum is to announce the **discontinuation** of the Virginia Medicaid interim reimbursement process for drugs designated under the Medicare Part D drug benefit for dual eligible beneficiaries with Medicare and full benefit Medicaid coverage. **Effective March 8, 2006, all Part D pharmacy claims for dual eligible beneficiaries must be submitted to the appropriate Medicare Part D Prescription Drug Plan (PDP) or other payment methods designated through the Centers for Medicare and Medicaid Services (CMS) payment contingency plan.**


As indicated in the [January 30, 2006 Medicaid Memorandum](#), Governor Timothy M. Kaine authorized the Virginia Medicaid Program to provide reimbursement for drugs designated under the Medicare Part D drug benefit in the event pharmacists were unable to process these claims through the Medicare PDPs or other payment methods established by CMS. This action was effective January 31, 2006, to ensure access to prescription medications for dual eligible beneficiaries who previously received drug coverage under Virginia Medicaid; to increase coordination between Medicare and Medicaid; and to support pharmacy providers facing billing challenges for this population. **NOTE: The action did not apply to limited coverage groups (Qualified Medicare Beneficiaries, Special Low Income Medicare Beneficiaries, Qualified Individuals) for whom Medicaid pays the Medicare premiums.** CMS indicates that it has made progress in resolving many of the issues with the Part D implementation.

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SPECIAL CONSIDERATION

 The Virginia Medicaid Program will now resume its payment procedures for the dual eligible beneficiaries as outlined in the [December 5, 2005 Medicaid Memorandum](#). Virginia Medicaid will continue to offer coverage of Part D pharmacy claims for special exceptions in which the CMS facilitated enrollment process is unsuccessful. Prior authorization (PA) criteria must be met and a PA form must be completed for Part D claims to be considered for reimbursement by Virginia Medicaid. If authorized, reimbursement will be granted for drug quantities of no greater than a two-week supply, and PA requests will be based on the date of service. The PA request form for dual eligibles and the related criteria are attached and may also be found at the following web link: http://www.dmas.virginia.gov/pr-medicare_part_d.htm.

EXCLUSIONS UNDER MEDICARE PART D

There are specific drug classes that are excluded by law under the new Medicare Part D program. Virginia Medicaid will continue to cover these medications within the currently established guidelines of its pharmacy benefit program. Coverage of these drugs will be in accordance with existing Medicaid policy as described in Chapter 50 of the Virginia Administrative Code (12 VAC 30-50; "Amount, Duration, and Scope of Medical/Remedial Services"). The drug classes that Medicaid will continue to cover for dual eligibles are as follows:

- Medications for weight loss (prior authorization required);
- Legend and non-legend medications for symptomatic relief of cough and colds;
- Prescription vitamins and mineral products (except prenatal vitamins and fluoride preparations);
- Over-the-counter medications (prescriptions are required);



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- Barbiturates; and
- Benzodiazepines

Medicaid will also continue to provide benefits for prescription drugs administered under Medicare Part B based on current coverage guidelines, which require that the Part B intermediary process the claim for payment prior to submitting it to Virginia Medicaid. Pharmacies must be a Part B participating provider to receive reimbursement for these claims. Pharmacy providers may contact Trailblazers at 1-866-697-9670 for information on filing for Part B drugs. Pharmacy providers may contact Administar, through the National Supplier Clearinghouse, at 1-866-238-9652, for durable medical equipment.

Any prescription drug claims processed for dual eligibles by Virginia Medicaid will remain subject to Virginia Medicaid's Preferred Drug List (PDL). Medicare PDPs will cover compounded drugs that include covered Part D drugs. Medicaid will pay for compounded medications for Part D recipients when the active ingredients include only the above referenced medications (excluded from Part D) and the compound is prior authorized.

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PHARMACY INFORMATION

Pharmacies may contact the pharmacist(s) in the CMS regional office at 1-215-861-4186 with questions related to the administration of the Medicare Part D program. Pharmacy providers can also contact the First



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Health Services Clinical Call Center at 1-800-932-6648 (available 24 hours a day, seven days a week) with questions specifically pertaining to Virginia Medicaid's pharmacy benefit policies for dual eligible recipients.

Pharmacy providers are asked to contact the beneficiary's PDP with questions regarding the plan's pharmacy benefits. For a listing and contact information for these plans, visit the DMAS website at www.dmas.virginia.gov (under "Provider Services," then "Medicare Part D") or the CMS website through the following link:

<http://www.medicare.gov/MPDPF/Public/Include/DataSection/Results/ListPlanByState.asp>

ELIGIBILITY AND CLAIMS STATUS INFORMATION

DMAS offers a web-based Internet option (ARS) to access information regarding Medicaid or FAMIS eligibility, claims status, check status, service limits, prior authorization, and pharmacy prescriber identification. The website address to use to enroll for access to this system is <http://virginia.fhsc.com>. The MediCall voice response system will provide the same information and can be accessed by calling 1-800-884-9730 or 1-800-772-9996. Both options are available at no cost to the provider.